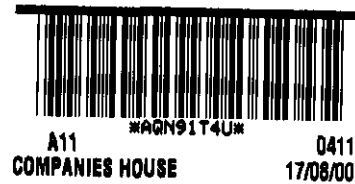


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Lonham Group Limited**Abbreviated Financial Statements****Year Ended****31 March 2000**

LONHAM GROUP LIMITED

Abbreviated financial statements for the year ended 31 March 2000

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Directors

M Ayres
N Hamer
C Hindle
D Stannard

Secretary and registered office

D Stannard
The Captain's House
81 Grimwade Street
Ipswich
Suffolk
IP4 1LN

Company number

1679607

Auditors

BDO Stoy Hayward
Knapton House
12 Lower Brook Street
Ipswich
Suffolk
IP4 1AT

LONHAM GROUP LIMITED**Report of the auditors**

Auditors' report to Lonham Group Limited under section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 5, together with the financial statements of the company for the year ended 31 March 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.

BDO Stoy Hayward**BDO STOY HAYWARD**
*Chartered Accountants
and Registered Auditors*
Ipswich

21 July 2000

LONHAM GROUP LIMITED**Balance sheet at 31 March 2000**

	Note	2000	1999
		£	£
Fixed assets			
Tangible assets	2	109,430	127,475
Investments	3	4	4
		<u>109,434</u>	<u>127,479</u>
Current assets			
Debtors		1,326,391	1,157,542
Cash at bank and in hand		121,737	361,900
		<u>1,448,128</u>	<u>1,519,442</u>
Creditors: amounts falling due within one year	4	<u>1,494,296</u>	<u>1,553,974</u>
Net current liabilities		<u>(46,168)</u>	<u>(34,532)</u>
Total assets less current liabilities		<u>63,266</u>	<u>92,947</u>
Creditors: amounts falling due after more than one year	5	<u>(10,757)</u>	<u>(50,436)</u>
Net assets		<u>52,509</u>	<u>42,511</u>
Capital and reserves			
Called up share capital	6	100	100
Capital redemption reserve		10,000	10,000
Profit and loss account		42,409	32,411
Shareholders' funds – equity interests		<u>52,509</u>	<u>42,511</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small-sized companies, and the Financial Reporting Standard for Smaller Entities (effective March 2000).

The abbreviated financial statements were approved by the Board on 21 July 2000.

D Stannard

D Stannard
Director

M Ayres
Director

The notes on pages 3 to 5 form part of these abbreviated financial statements.

LONHAM GROUP LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 March 2000

1 Accounting policies

The financial statements have been prepared under the historical cost convention as modified by the revaluation of freehold land & building, and the Financial Reporting Standard for Smaller Entities (effective March 2000). The following principal accounting policies have been applied:

Group accounts

The company has not prepared group accounts as it is exempt from the requirement to do so by Section 248 of the Companies Act 1985 because the group is a small group for the year ended 31 March 2000.

Depreciation

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all fixed assets, evenly over their expected useful lives. It is calculated at the following rates:

Freehold building	-	2% per annum
Office equipment	-	33.3% per annum
Motor vehicles	-	25% per annum

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

Insurance commission earned

Insurance commission is credited to the profit and loss account when the agreed premium is invoiced.

Operating leases

Operating lease annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Pensions

Contributions to the company's defined contribution pension scheme are charged to the profit and loss account in the year in which they become payable.

Investments

Investments held as fixed assets are stated at cost less provision for any permanent diminution in value.

LONHAM GROUP LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 March 2000 (*Continued*)

1 Accounting policies (*Continued*)

Cashflow statement

No cashflow statement has been prepared as the group is exempt from Financial Reporting Standard No 1 under the provisions for small companies as set out in Sections 246 to 249 of the Companies Act 1985.

2 Tangible assets

	Total £
<i>Cost/valuation</i>	
At 1 April 1999	350,198
Additions	5,779
At 31 March 2000	355,977
<i>Depreciation</i>	
At 1 April 1999	222,723
Provided for the year	23,824
At 31 March 2000	246,547
<i>Net book value</i>	
At 31 March 2000	109,430
At 31 March 1999	127,475

3 Fixed asset investments

Investments in subsidiaries	2000 £	1999 £
Cost	4	4

The investments in subsidiary undertakings consist of a 100% interest in issued share capital of both Lonham Marine Underwriters Limited and Lonham Claims and Recovery Bureau Limited. Both companies are incorporated in the UK and neither company has traded since incorporation.

LONHAM GROUP LIMITED

Notes forming part of the abbreviated financial statements for the year ended 31 March 2000 (Continued)

4 Security

Included within 'Creditors: amounts falling due within one year' is a bank loan of £37,633 (1999: £34,775) which is secured.

5 Creditors: amounts falling due after more than one year

	2000	1999
	£	£
Bank loan (secured)	10,757	50,436
Included within the above are amounts falling due as follows:-		
In one to two years	10,757	37,711
In two to five years	-	12,725
	10,757	50,436

6 Share capital

	Authorised		Allotted, called up and fully paid	
	2000	1999	2000	1999
	£	£	£	£
Ordinary shares of £1 each	45,000	45,000	100	100

7 Ultimate parent company

At 31 March 2000 the company's ultimate parent company was Latertopic Limited.

8 Related party transactions

i) Control

Ultimate control is exercised by the four directors, each of whom owns 25% of the ordinary share capital of Latertopic Limited, the ultimate parent company.

ii) Transactions and balances

During the year Lonham Group Limited settled liabilities of Latertopic Limited amounting to £3,639, which had been accrued by Latertopic Limited at 31 March 1999.

At the year end an amount of £17,747 (1999: £14,108) was owed by Latertopic Limited. No other amounts were outstanding with related parties.